

the Treasury required GSA to send out 272,500 bills in FY 2000. Although average monthly delinquencies declined 2.6% to \$317 million in FY 2000, and consolidation of billing addresses reduced the number of manual bills by 14%, delinquencies remain too high. We are working aggressively to expand GSA customers' use of the Treasury systems to pay for GSA's services. This will improve accounts receivable management and reduce the paper burden.

GSA's payment function is also increasingly electronic. We offer an incentive of faster payment to vendors who participate in full-cycle e-commerce. In FY 2000, 71% of all invoices were paid electronically, 21% more than last year. They account for 83% of the disbursement total, an increase of 14% from FY 1999. The percentage of invoices GSA received electronically increased from 9% to 12% in FY 2000.

GSA's disbursements for FY 2000 totaled \$12.6 billion, a 6% increase from FY 1999. About 90% of GSA's vendor payments were made on time, earning the agency \$2.3 million, or 89% of all possible discounts. This is a 2% increase over 1999.

We are also using electronic methods to improve our budget process. Working with the Treasury Department, we have implemented FACTS II to provide budget execution data electronically and generate required budget reports.

The CFO's Office continued to lead in performance measurement and implementation of the Government Performance and Results Act (GPRA). We have now completed the first full cycle under GPRA, starting with agency strategic plans, followed by performance plans, and our first performance report in FY 2000. The Legislative Branch has favorably received GSA's plans and reports, noting their clarity and quantified goals. In the coming cycle, we will build on our strong foundation by developing measures for agency-wide management functions and improving measures in a select number of critical programs.

The Office of the CFO is committed to a corporate alliance with GSA's business managers and our clients. We are dedicated to cost-effective, best-in-class financial stewardship and to being a valuable resource in achieving our customers' business goals.

William B. Early, Jr.

William B. Early, Jr.
GSA Chief Financial Officer

Management Discussion and Analysis



Created in 1949 to be an efficient central logistics and supply organization, GSA encompasses three service-delivery organizations and a policy shop: the GSA Public Buildings Service (PBS), the GSA Federal Supply Service (FSS), the GSA Federal Technology Service (FTS) and the GSA Office of Governmentwide Policy (OGP). Most of GSA operations are still conducted through its 11 regional offices.

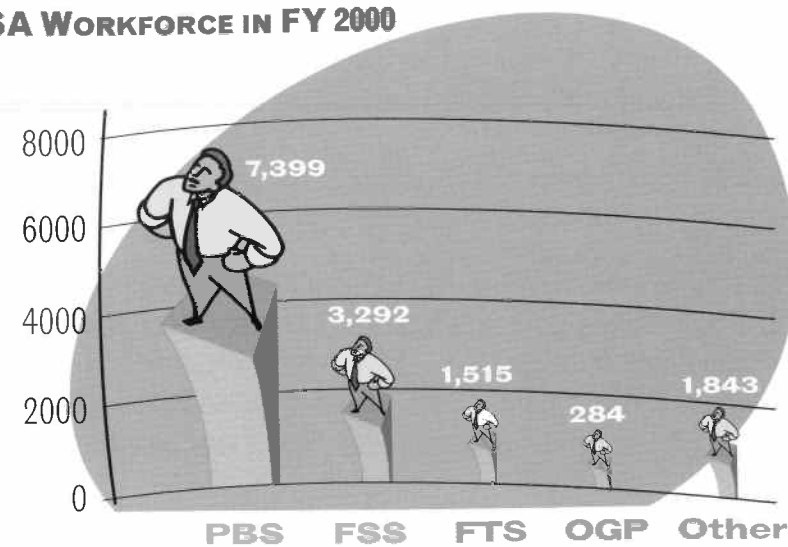
While fulfilling the same mission in 2000 as it has for the past 51 years, today's GSA is as fundamentally different as the Internet-influenced information economy is different from the centralized industrial economy in which GSA was molded. Today, GSA works in different ways:

- outsourcing nearly 94% of its operational tasks through private contractors.
- competing for Federal business as a non-mandatory source of space, supplies and services for Federal agencies.

- relying increasingly on reimbursements from other agencies for its funding, so that less than 1% of GSA's operating budget—\$158 million—is directly appropriated.
- focusing attention on its policy functions, which have been separated from its service delivery since 1996.
- downsizing to just over a third the size it was at its peak in 1971; the GSA workforce in FY 2000 was 29% lower than the 1993 level.

Some of these factors have worked to GSA's advantage; others present challenges. The agency's position as provider to Federal agencies makes it uniquely able to play a major role in the Internet revolution. It is positioned to move many of its own functions online—e.g., *GSA Advantage!*[™], and to play a critical role in bringing the entire Federal Government into the information economy. GSA products, such as wireless technology, digital signature capability, smart cards and SmartPay cards make virtual Government a possibility. On the other hand, the loss of its mandatory status may erode GSA's leverage. Other agencies have been authorized to develop and award Governmentwide acquisition contracts—and they are increasingly competing with GSA on its own turf. In addition, competition is coming from agencies

GSA WORKFORCE IN FY 2000



that perform the same work in-house that GSA has traditionally performed for the entire Government. These forces make it extremely important for GSA to attend to its customers' needs and bring its underlying strengths to play in the Federal marketplace of the new age.

GSA MISSION AND GOALS

The GSA Mission

We provide policy leadership and expert solutions in services, space and products, at the best value, to enable Federal employees to accomplish their missions.

The GSA Strategic Goals.

The agency's three-year *Strategic Plan*, issued September 30, 1997, was GSA's guide for fulfilling this mission as we moved into the new century. It incorporated four strategic goals:

1. Promote Responsible Asset Management. GSA will conserve Government resources and the assets in its care and provide

policies and best practices for Government-wide asset management.

2. Compete Effectively for the Federal Market. GSA will be the preferred provider of space, products, services, technology, and telecommunications for all Federal agencies by efficiently and economically delivering consistently high quality and best value.

3. Excel at Customer Service. GSA will thrill its customers and agency partners by developing and delivering creative solutions to meet their needs for space, products and services, technology and telecommunications, and policy guidance, and GSA will make it easy for citizens to obtain information from the Government.

4. Anticipate Future Workforce Needs. GSA will design, develop, and model future Federal work environments with state-of-the-art technology, innovation, and best

practices in use of space, furniture, equipment, telecommunications, contracts and other tools.

GSA's new three-year *Strategic Plan*, submitted September 30, 2000, incorporates the same four goals. We added a fifth general goal, one that reflects our role in helping Government meet its responsibility to individual taxpayers and to their communities. This addition signals GSA's direction in the coming decade. While we will focus on providing our customers with professional expertise as well as space and commodities, we will continue to acknowledge the importance of our role in serving the needs of all Americans.

MANAGEMENT ISSUES

In FY 2000, GSA took several steps toward becoming a more-unified agency, adopting best business practices that will position us to perform at a high level of proficiency in the new millennium, as we continue to reinvent ourselves as a modern professional organization. We still grapple with several management issues that arose during the last decade, chiefly because of our multiple transformations. GSA went from being mandatory to being a competitive source; from bricks-and-mortar to the Internet; from hands-on provider to contract manager; and from an organization of more than 20,000 employees eight years ago, to one that is 29% smaller. We can report progress on many fronts, but some

issues remain unresolved. Some of these issues have been identified by the General Accounting Office (GAO), the GSA Inspector General (IG) and the agency's outside auditors, PricewaterhouseCoopers. The major management issues facing the agency as of September 30, 2000 are discussed below.

Management of the GSA Federal Supply Service Depots

In July 1999, GSA began a process to transition from operation of a Government owned and operated supply distribution network to increased reliance on a system of strategic alliances with private companies. This effort reflects long-term reduced demand for the GSA-provided hands-on distribution service. It also recognizes new acquisition and logistics tools and capabilities that have evolved within Government and in the marketplace. Such a transition would leverage e-business technologies and supply channels used by GSA, its customers, and the commercial sector.

Within GSA, the labor/management process has moved through a series of partnership, grievance, negotiation, and mediation steps, including a study by an independent consultant. These actions have attempted to resolve differences between GSA and its unions on the future of GSA's distribution program. The labor/management differences are now before the Federal Service Impasses Panel. It is anticipated that a final determination by the Panel will be required, which should be

rendered during April 2001, based on their time allowances for the various steps.

Physical Security in GSA Buildings

Improvements are needed in GSA's implementation of over 8,000 security-equipment and structural enhancements recommended by the Building Security Committees in the wake of the Oklahoma City bombing in 1995. The lack of programmatic controls and approaches resulted in concerns over the implementation and reported status of security countermeasures and the use of designated security upgrade funds for projects that did not involve a Committee-recommended countermeasure and lacked Central Office approval. Since then, GSA has made significant progress in improving physical security in its buildings through:

- A secure messaging system for the exchange of sensitive intelligence information
- Security design criteria for the construction of new facilities
- Medical and psychological standards and a testing program for GSA law enforcement and security officers
- Evaluation of over 96% of GSA buildings for security needs
- A new risk-assessment methodology
- Improved training and procedures for security personnel.

GSA Systems Security Development and Implementation

GSA relies on its automated information systems to perform its mission and manage its operations. The agency faces a number of systems security issues related to controlling its existing systems and in replacing a number of its old systems to incorporate technological advances. These include the following:

- An FY 1999 review of eight significant GSA financial management system applications disclosed weaknesses in the control and oversight systems relating to technological and physical access, access monitoring and follow up, security awareness, and IT security program implementation and management oversight. As a result, GSA's systems remain susceptible to unauthorized access, modification or undue risk. A follow-up review during FY 2000 concluded that the control weaknesses had not been resolved.
- Another FY 1999 review of three GSA financial management systems (ITOMS, STAR, and FEDPAY) found a need for better controls over systems development and implementation processes to eliminate schedule delays and cost overruns, the need for frequent redesign, and difficulties sharing usable data between systems.

The Office of the Chief Information Officer has instituted a number of corrective actions to meet these challenges and ensure the integrity of all GSA-wide systems.

Controls Over the Integrity of Rent Data

The OIG has become increasingly concerned about the reliability of data in the information systems used by management. PricewaterhouseCoopers, in both FY 1999 and FY 2000, identified a reportable condition regarding controls over the integrity of rent data used to manage the Federal Buildings Fund. This concern is echoed by management, which plans to cite this issue—though not as a material weakness—in its *Federal Managers' Financial Integrity Act Report*. PBS's new FY 2000 data accuracy measure focused on correcting missing building, lease, and space assignment data in the STAR System. That effort positively affected our revenue numbers for FY 2000. Data clean-up measures planned for FY 2001 will focus on reconciling STAR data with source documents, primarily leases and occupancy agreements.

Cash Flow in the Information Technology Fund

With explosive business growth over the past several years, the IT Fund has been experiencing a low cash balance. This is the result of increased business volumes and the 30-to-60-day lag time between payments to contractors and cash receipts from customers. While FTS negotiated an agreement with its

major customers so that they are billed through the Treasury Department's On-Line Payment and Collection System (OPAC), some problems are expected to remain with lag-times.

In March 2000, GSA established an internal task force to identify problem areas and recommend solutions required to ensure an adequate cash balance. A significant step has been improved communications with FTS' largest customer, the Department of Defense (DoD). The team has since expanded its participation to include representation from DoD. It is focusing on billing issues, improved communication, and a better understanding of both agencies' financial requirements. In addition, an agreement was signed increasing the number of program billings to DoD processed under OPAC.

FTS is continuing to take aggressive action to maintain a healthy cash position. However, as IT Fund business volume continues to grow, lag times between payments to vendors and receipts from customers further strain the Fund's cash reserves. GSA is working with OMB, Treasury and customer agencies to improve cash and accounts receivable management.

Workforce Planning

As the GSA workforce has become smaller, it has become older. In FY 2000, fewer than 1,000 of GSA's 14,000 employees were less than 30 years old. Nearly half of the GSA workforce will be eligible to retire within five years. The employees who remained have

shown considerable initiative in taking on all the responsibilities of the agency, and GSA scores remarkably high for employee job satisfaction. Nonetheless, the agency's continuous downsizing, restructuring, buyouts and attrition have resulted in a loss of institutional memory and employee transfers into positions of responsibility without adequate training and/or experience. GSA is addressing these issues through a nationwide recruiting effort, increased reliance on contractors, knowledge sharing and by restructuring various functions performed in GSA, such as supply and procurement, property disposal, and contract management.

Despite the issues facing the agency, GSA employees rated it well above average as a place to work in the Federal Government. When the National Partnership for Reinventing Government (NPR) asked employees of 46 agencies in FY 1999 about the quality of their work-life, the response from a random selection of GSA employees was impressive. GSA exceeded the Government-wide average in four survey areas: work satisfaction, recognition, supervision and quality of work. In two categories—work satisfaction and recognition—GSA's results exceeded comparable private industry scores. GSA's score was below average only on the issue of management-union cooperation on mutual problems.

Survey results show a need for GSA to improve its scores in the areas of performance management; skills assessment and recruitment; management-union cooperation; and

the use of "plain English" in agency regulations and publications. The agency has adopted an Improvement Plan that incorporates strategies for addressing these areas.

GSA PERFORMANCE IN FY 2000

GSA accomplished its mission at a high level of performance in all its programs. Total obligations for these programs were \$16.1 billion in FY 2000, a 3% increase over the \$15.7 billion in FY 1999.

Our key performance goals reflect: (1) the business volume in a competitive environment; (2) cost control; (3) customer satisfaction; and (4) the shift of business activity to the Internet, thus in a small way measuring how well we are addressing future challenges.

We have elected not to include any performance measures for our policy leadership function, which is conducted by OGP. This is not to minimize the importance of our responsibility in this area. At present, however, these activities have a very small impact on the financial results for GSA as represented by the financial statements. Equally important, performance measurement for these activities was still at the output stage during FY 2000. We are confident that the current effort to develop a balanced scorecard for the office and other efforts to improve measurement will yield performance measures that will take a prominent place in the key measures of GSA.

The vast differences in GSA's service-delivery organizations and their own broad mandates make it necessary to look at a variety of measures to ascertain the agency's overall performance results. We have identified 12 key performance goals for our PBS, FSS and FTS operations. GSA's success in accomplishing these goals indicates progress in achieving its four strategic goals. (See the chart on page 26.)

While it is difficult to combine the performance results of three such disparate organizations, we can draw some general conclusions. GSA's most impressive performance, across the board, is in keeping its costs down. Traditionally one of GSA's strengths, cost control can be seen in PBS' income from operations, in PBS' and FTS' control of operating costs, and in FSS' cost of sales.

GSA's abilities to generate its share of the market for its specific business lines provide a greater challenge. We achieved our target share of the Federal fleet this year. But we were disappointed in our attempt to garner 15.8% of the Federal IT/telecommunications market.

Customer satisfaction is a critical measure for GSA—our customers are our reason for being. While all GSA Services conduct customer satisfaction surveys, our challenge is to be able to act quickly on the survey results. Those data show customer satisfaction jumped from 81% to 85% for both Government-

owned and leased properties in FY 1999, but dropped to 82% and 80%, respectively, in FY 2000. Supply and Procurement customer satisfaction surveys are conducted biennially, and the data reported in FY 2000 are for the years FY 1999-2000. Although FSS set its performance targets to measure only "highly satisfied" customers, it should be noted that overall satisfaction with GSA's Supply and Procurement programs reached 96%. FTS surveyed both IT Solutions and Network Services customers to determine their satisfaction with its programs, products and services and with FTS representatives. In the aggregate, over three-fourths of the respondents expressed satisfaction.

It is more difficult to measure our less tangible, though increasingly important, role in anticipating future workforce needs for the Federal Government. With the objective of employing advanced information and Internet technology to make the acquisition of products easier and faster for all Federal agencies, we set a goal of making 50% of the GSA schedules contracts accessible on the Internet via *GSA Advantage!*™. Although we got only 35% of our contracts online in FY 2000, we expect to make nearly all of them Internet-accessible by meeting our FY 2001 goal of 95%.

See the summary of GSA's Performance against Performance Goals in FY 2000 on page 126.

GSA's Performance Against Key Performance Goals in FY 2000

	Performance Goals	FY 2000 Target	FY 2000 Actual
Strategic Goal 1 <i>Promote Responsible Asset Management</i>	Generate a capital investment contribution of 2.5% to 4.5% of the functional replacement value of the owned inventory.	2.5%-4.5%	4.0%
	Reduce the amount of non-revenue-producing space in Government-owned buildings to maximize rental income.	13%	12.2%
	Maintain building operations costs in office and office-like space to 12% below private sector benchmarks.	12%	17%
	Reduce costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 9%.	\$2.66	\$2.35
Strategic Goal 2 <i>Compete Effectively for the Federal Market</i>	Dollar volume of GSA supply and procurement programs.	\$14.1 billion	\$16.3 billion
	Increase GSA's share of the Federal fleet.	46%	46%
	Increase (IT Solutions and Network Services) business volume to obtain 15% of the Federal IT market.	15.8%	14.2%
Strategic Goal 3 <i>Excel at Customer Service</i>	Percent of tenants that rate GSA-owned space as satisfactory or better.	81%	82%
	Percent of tenants that rate leased space and services as satisfactory or better.	81%	80%
	Percent of responses in the "highly satisfied" category for Supply and Procurement programs.	63%	72%
	Ratings of satisfactory or better on annual customer service survey for IT and network programs, products, services and representatives.	80%	76%
Strategic Goal 4 <i>Anticipate Future Workforce Needs</i>	Percent of Schedule contracts available through Internet connectivity (<i>GSA Advantage!</i> [™])	50%	35%

GSA Public Buildings Service

Robert A. Peck
Commissioner

Employees: 7,399

Resources:

Federal Buildings Fund Revenue: \$6.7 billion

Rental and Miscellaneous: \$5.7 billion

Reimbursable: \$968 million

Other Funding (Direct Appropriations and Reimbursable): \$40 million

Recognized as the largest commercial-style real estate organization in the nation, the GSA Public Buildings Service (PBS) maintains an estimated 334 million rentable square feet of workspace for over a million Federal employees in more than 1,600 American communities. About 41% of Federal office space is included in this inventory of 1,800 Federally owned and 6,500 leased buildings.

PBS provides real estate and related services for about 100 Federal organizations. It is responsible for the construction, leasing, management, maintenance, and protection of Federal office buildings as well as courthouses, border stations, laboratories and data processing centers throughout the nation and also disposes of unneeded Federal property.

The funding mechanism for PBS is the Federal Buildings Fund. In FY 2000, it received \$5.7 billion in rental and other income from tenants and \$968 million for reimbursable work.

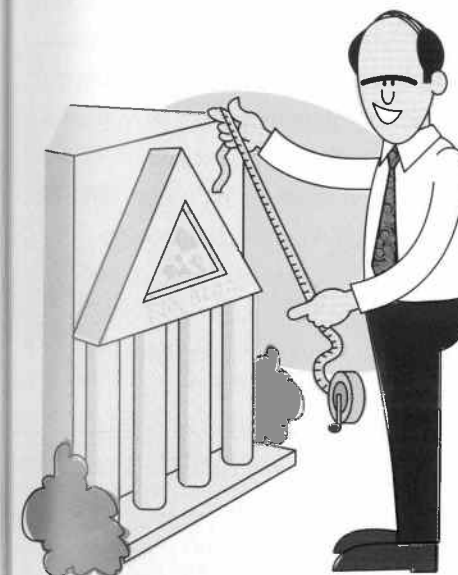
New obligational authority was \$5.5 billion in FY 2000. Overall, 91% of all PBS program dollars are spent

through contracts with the private sector for construction, leases, maintenance, repairs, protection and other services.

PBS PERFORMANCE IN FY 2000

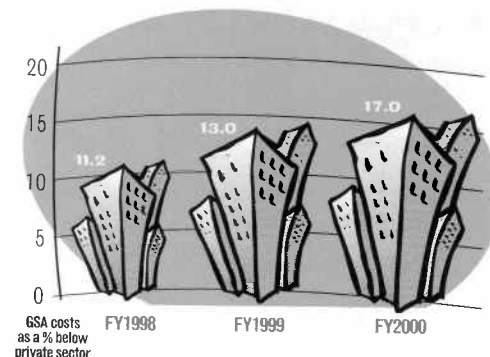
In FY 2000, PBS reached or exceeded annual performance goals for some of these key measures, specifically:

- Revenues were up 4.7% from \$6.4 billion in FY 1999 to \$6.7 billion.
- PBS generated a \$1.28 billion contribution to capital that was 4% of the functional replacement value of its Government-owned real estate inventory, within the FY 2000 target of 2.5% - 4.5%. This is a measure of the funds available for repairs, modernization, interest, debt-reduction and construction after PBS pays its operating costs. It is also a measure of the extent to which PBS is successful in collecting revenue and reducing expenses. It replaces the funds-from-operations measure reported in 1999.
- Overall customer satisfaction ratings for both Government-owned and leased space declined in FY 2000 from 85% in FY 1999. Customer satisfaction with Government-owned space scored 82% in FY 2000; leased space scored 80%.



- GSA maintained its average operating expenses at approximately FY 1999 levels, as costs per rentable square foot of office or office-like space reached \$4.19. Although this represented a slight increase over costs per square foot of \$4.17 in FY 1999, the gap by which GSA exceeded private sector performance improved significantly in FY 2000, from 13% to 17% below comparable private sector costs. This measure was broadened in FY 2000 to cover "office-like" space as well as office-space and make it more comparable to private sector practices.

GSA OPERATING COSTS PER SQUARE FOOT VS. PRIVATE SECTOR COSTS



- Non-revenue-producing Government-owned space was 12.2% of the GSA inventory. This was a significant improvement over the 13.5% posted in FY 1999. GSA continued to reduce the proportion of non-revenue producing leased space from 3.7% in FY 1999 to 3.3% in FY 2000, exceeding its 3.6% goal for the year.

LINKING BUDGET TO PERFORMANCE

In FY 1998, PBS identified several performance indicators that would

reflect the core drivers of its regional operations and serve as the centerpiece for its Linking Budget to Performance incentive program. In FY 2000, the "Big Nine" measures were:

- Funds From Operations
- Customer Satisfaction
- Non-revenue-producing Space
- Operating Costs Compared to Industry
- Leasing Costs Compared to Industry
- Indirect Costs as a Percentage of Revenue
- Data Accuracy
- Capital Investment Program
- Security – Customer Satisfaction.

The PBS budget allocation is directly tied to performance at all levels, especially in the regions, where better performance yields national recognition awards. This initiative has changed the way management and employees measure success. In two years, PBS has shifted its day-to-day focus to longer-term outcomes and accomplishments. Employees are working across organizational lines to help one another meet performance targets and are committed to maximizing performance in their respective areas of expertise. Overall, Linking Budget to Performance has achieved savings of approximately \$400 million since its implementation in mid-1998.

GSA identifies and disseminates "good practices" that contribute to excellent performance on each of the Big Nine measures. These suggestions for improved performance are collected

and shared with employees through a database and intranet site and circulated through a targeted listserve, monthly electronic bulletins, forums and word of mouth. To date, more than 150 good practices have been distributed.

RENT PRICING

In recent years, GSA's rent-pricing structure has been simplified to more closely resemble commercial practice. Rents in Federally owned space are based on current market appraisals and include a basic security charge. With leased space, actual lease payments to the owner (plus an administrative fee) are also determining factors. GSA expanded its application of the new pricing structure to all leased and owned space in FY 2000. Customers are able to download their rent bill off the Internet and can use the data to estimate their own future budget needs.

DESIGN AND CONSTRUCTION

GSA's Chief Architect is the guiding force for our design and construction program, ensuring high-quality construction for the best value. An internationally recognized Design Excellence Program and several design vision competitions each year are dramatically improving the design quality of GSA facilities. To assure that its high standards continue to be met, GSA launched a Construction Excellence Program which guarantees quality won't be sacrificed during construction.

In FY 2000, the Design and Construction Excellence Program was expanded to include lease-construction projects and two major projects were completed in Jamaica, NY — new regional headquarters for the Food and Drug Administration and for the Federal Aviation Administration.

GSA continues work on the largest U.S. courthouse construction program in history. Begun in the 1980s, the program calls for 159 new courthouse construction projects to be completed in this decade.

In FY 2000, GSA completed five new courthouses, in Central Islip, NY, Las Vegas, NV, Omaha, NE, St. Louis, MO, and Tucson, AZ. The courthouse construction program has delivered 32 new courthouses in all, at a cost-to-date of \$3.7 billion. It had 16 new construction projects in process at the end of the year. For one such project, GSA broke ground for a \$430 million court project in downtown Brooklyn, NY, including construction of a new 15-story courthouse and the renovation and adaptive reuse of a nearby historic General Post Office building dating to 1892.

Also in FY 2000, GSA completed two major courthouse renovations. In Old San Juan, GSA renovated the historic U.S. Post Office and Courthouse constructed in 1914 to serve as the first traditional home of the U.S. Government in Puerto Rico. In Chicago, the Everett McKinley Dirksen U.S. Courthouse gained eight new courtrooms without interrupting court proceedings. GSA's \$18 million

renovation to the modernist Mies van der Rohe structure was accomplished without altering the building's architecture or affecting its structural integrity.

The GSA project team for the Metzenbaum Courthouse in Cleveland, OH, has done unprecedented work in identifying ways to undertake a modernization and reuse project in the *National Register*-listed building while maintaining and restoring interior spaces of historic significance. The \$24 million renovation was named the top prospectus alteration/design priority for FY 2001.

Although the safety of those who work in and visit Federal buildings is one of GSA's top priorities, GSA is committed to making Federal buildings attractive, open and accessible to the public. To meet the challenges of these conflicting objectives, GSA has designated the new Federal courthouses in Springfield, MA, and Eugene, OR, as pilot projects for developing innovative security approaches while maintaining openness.

HISTORIC BUILDINGS AND THE ARTS

Approximately 450 GSA buildings have been designated historic for their architectural or cultural significance. GSA has made the stewardship of these buildings an agency priority, developing and implementing comprehensive strategies to ensure their viability. In FY 2000, the GSA Historic Buildings Program compiled a desk guide of over 110 of the agency's best preservation practice

documents, as a follow-up to last year's comprehensive *Held in Public Trust: PBS Strategy for Using Historic Buildings*. We also conducted a nationwide study on leasing of GSA historic buildings. The study led to a training program that helps GSA real estate professionals overcome obstacles to historic building reuse and agency location in historic districts and older central business areas.

National, State and local organizations continue to recognize GSA's leadership in historic preservation. The Historic Landmarks Foundation of Indiana awarded GSA its *Special Achievement in Historic Preservation* for restoring the Federal Building and U.S. Courthouse in Indianapolis. GSA was praised for its conservation of stained and art glass windows and skylights, restoration of interior decorative painting and exterior limestone, and the installation of decorative brass hand railings. GSA also won the *John Wesley Powell Prize for Excellence in Historic Preservation* from the Society for History in the Federal Government for the rehabilitation and restoration of the Post Office and U.S. Courthouse in Old San Juan, Puerto Rico. And, for the third time, GSA's Gene Snyder U.S. Courthouse and Customhouse in Louisville, KY, won the Building Owners and Managers Association's *Regional Building of the Year Award* in the historic building category.

GSA's Art-in-Architecture Program commissions artworks that are integral parts of a new building's

architecture or adjacent landscape, providing the American public with Federal buildings and courthouses that enrich the cultural, social, and commercial resources of the communities where they are located.

In FY 2000, GSA installed 14 new artworks. A notable example is *Lens Ceiling*, created by James Carpenter Design Associates for the Sandra Day O'Connor U.S. Courthouse in Phoenix. An inverted glass dome that resonates with historical and cultural meaning, it functions as the ceiling of the building's special proceedings courtroom. In keeping with the Art-in-Architecture mission, the courthouse itself, designed by architect Richard Meier, exemplifies collaboration between architect and artist.

For the U.S. Courthouse in Minneapolis, sculptor Tom Otterness created *Rockman*, a whimsical grouping of cast-bronze figures that is an allegory of how governing bodies are formed to guard against social chaos. The artist approached this weighty topic with a sharp wit, combining contemporary, popular imagery with literary and mythological references.

GSA's Fine Arts Program provides all curatorial and collection management activities for the vast, nationwide inventory of fine art under GSA's stewardship. The Fine Arts Collection is one of the nation's largest and most diverse Federal art collections, consisting of approximately 17,000 paintings, sculptures, architectural or

environmental artworks, and fine-art graphics dating from the 1850s. Conserving this invaluable legacy is a primary role of the Fine Arts Program. During 2000, GSA oversaw cyclical inspection of more than 1,000 artworks, and initiated the conservation of more than 200 of them.

The Fine Arts Program also secures appropriate new locations for artworks that, for various reasons, have become displaced from their original sites. One such project was the reinstallation of a sinopia (or under-drawing) discovered behind a fresco that artist Ben Shahn painted for an elementary school library in Roosevelt, NJ, in 1937, depicting aspects of immigration and the American textile industry. A sinopia is a full-scale painted sketch used to guide the daily application of plaster while a frescoed mural is being created. The Shahn sinopia was discovered when the fresco was removed for conservation. After being displayed for many years at the National Portrait Gallery in Washington, DC, it was donated to GSA by the Roosevelt, NJ, Board of Education. GSA created a permanent home for it in FY 2000 in the Mitchell H. Cohen U.S. Courthouse Annex in Camden, NJ.

Also in FY 2000, GSA reinstalled two murals created under the Works Progress Administration (WPA), but which had never been publicly displayed. *Town of Kansas*, by Frederick Emanuel Shane and *Watt's Mill*, by Walter Bailey were created in 1933-34 but never installed. The works were stored in the basement of the

Jackson County Jail in Independence, MO, and returned to GSA in 1996. Following conservation and their installation in the Charles Evans Whittaker U.S. Courthouse in Kansas City, MO, the murals are now on public view for the first time.

ENVIRONMENTAL PERFORMANCE

GSA builds progressive yet sensible environmental practices into its building operations and construction management. Compliance with Federal, State and local environmental requirements is a top priority. When we acquire sites, we ensure they are free of environmental hazards. Through skillful negotiation PBS saved \$3.7 million for environmental remediation on property valued at \$13 million in our Pacific Rim Region. The costs were absorbed by the municipal or county developers who wanted a Federal presence at these sites.

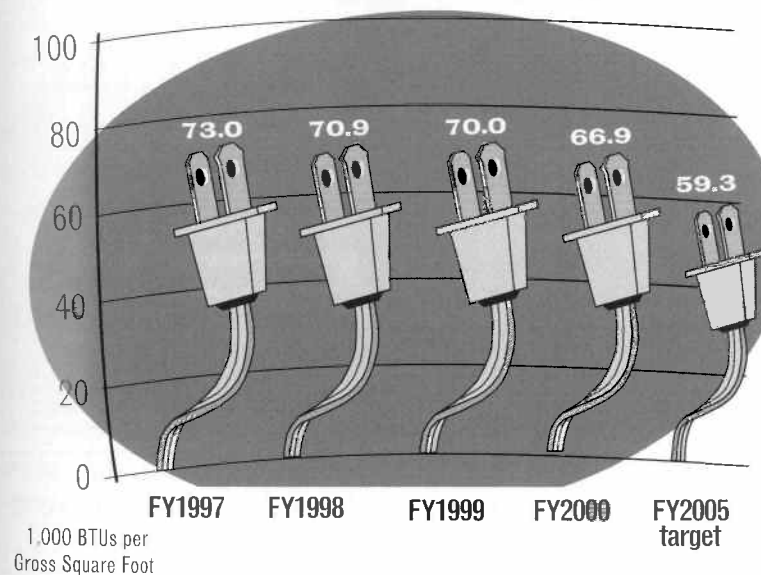
GSA has an award-winning recycling program. About 83% of all Federal office buildings nationwide participate in recycling. As a result, more than a third of the office waste stream generated in these buildings is recycled, saving more than \$23 million in landfill and hauling costs. In addition, GSA recycles a fourth of its construction waste. We also use products that are recycled. GSA's entire paper supply is of 30% recycled content; 29% of the building insulation used comes from recycled sources; and 60% of the concrete used contains fly ash, a byproduct of burning coal.

GSA is integrating "green" design principles into its planning, construction, repair, alteration, leasing and operating practices. One of its most significant "green" construction projects showcases these principles. It is a state-of-the-art EPA Laboratory that uses recycled materials in its construction and recycles its own construction waste. The building, due for completion in June 2001, will use energy-saving utilities and replenish neighboring wetlands with water runoff from the roof. Sustainable design principles are being disseminated throughout PBS, beginning with the 400 employees who received training in FY 2000.

buildings. Preliminary data show the energy consumption rate in GSA buildings, at 66,861 BTUs per gross square foot, is currently better than the revised 67,144-BTU Federal energy-use target for FY 2000. This consumption rate is 20.3% below the 1985 baseline level and meets the FY 2000 target. The FY 2005 target is 30% below 1985 levels.

Taking advantage of a competitive, deregulated electric industry, GSA has leveraged its position as a buyer for the Federal Government to bring down energy costs for itself and its customers. Combining its energy requirements with those of 13 other Federal organizations and three

**ENERGY CONSUMPTION RATE IN GSA BUILDINGS
(THOUSANDS OF BTUs PER GROSS SQUARE FOOT)**



ENERGY CONSERVATION

Directed by Executive Order to reduce its energy consumption, GSA is partnering with many local utilities and energy services companies to reduce energy use in Federal

nonprofit organizations in Pennsylvania and Delaware, GSA executed a \$19 million electricity buy that will cut their annual electricity costs by over \$1 million.

GSA joined forces with several energy companies in the Northeast to create one of the largest solar energy systems in the region. The 372 solar panels that make up the Solar Electric System on the John F. Williams Coast Guard Building in Boston generate about 28,041 kilowatts per hour. The system was put in place after an Energy Department audit tagged the building as one of the region's higher-cost energy users. Year after year, GSA buildings are designated models of strategic energy management and environmental responsibility and dubbed "Energy Star" buildings. Sixty-eight GSA buildings earned the label in FY 2000.

GSA's successful energy conservation program attracted international interest in FY 2000 as GSA co-hosted a workshop with the United Nations on Energy Efficiency, Global Competitiveness and Energy Deregulation. The event attracted 600 international participants who attended workshops covering global energy issues, emerging technologies, energy solutions, alternative financing options, and the deregulated environment.

REAL PROPERTY DISPOSAL

Like other real estate organizations, GSA is incorporating the Internet into its business and has laid the groundwork for Internet-based activities. With the inauguration of online auctions, Property Disposal has secured its position in the e-commerce community. GSA has integrated Web-based applications with existing

systems to simplify procedures for its customers, as Web-based operations significantly reduce paperwork and facilitate a faster, two-way flow of information.

SECURITY IN FEDERAL FACILITIES

GSA's Federal Protective Service (FPS) is evolving from a reactive posture of patrol and incident response to a proactive stance of crime prevention and threat reduction. Since the 1995 bombing of the Murrah Federal Building in Oklahoma City, GSA has tripled spending on security to about \$250 million annually and has doubled the number of uniformed FPS Police Officers to about 528. The number of contract guards has risen to about 6,000. In addition, GSA has hired more than 70 Law Enforcement and Security Officers, uniformed, multi-skilled men and women who perform a wide range of physical security and law enforcement duties.

GSA increasingly emphasizes "community policing," which gets officers back on the streets in cities and communities around the country. With increased training under this new model, uniformed officers aggressively patrol in and around buildings, looking for security gaps, gathering information, training building tenants in deterrence, and monitoring the performance of equipment and contract guards.

In the aftermath of the bombing of the 1995 Oklahoma City bombing, GSA has made many improvements to the security of its buildings. Although all the security-equipment and structural enhancements recommended by

Building Security Committees have not been fully implemented, GSA is making significant progress. Over 96% of GSA buildings have been evaluated for security needs and a new risk-assessment methodology has been adopted. GSA is continuing to work on a set of outcome-oriented performance measures for physical security. Specially, we have developed a secure messaging system; security design criteria for new facilities; and stricter standards, better training and improved procedures for FPS personnel. Funding for an upgraded security system will be provided by increased security charges included in rent payments.

GSA shares its knowledge about weapons of mass destruction. Participants in a recent awareness/instructional workshop included representatives from the Social Security Administration, the Internal Revenue Service, the U.S. Immigration and Naturalization Service, Immigration Court, the U.S. Attorney and contract security personnel. The training focused on indicators, fallacies, vulnerabilities and courses of action, and was directed toward those with little or no familiarity with weapons of mass destruction.

At the Statue of Liberty, where the volume of visitors can reach up to 24,000 a day in the summer, U.S. Park Police grew concerned about perimeter security and reached out to GSA for advice to protect this national treasure. GSA worked with the Park Police for three months in FY 2000, conducting a security survey and risk analysis to evaluate the threats and vulnerabilities associated with Liberty Island and the Statue of Liberty.

URBAN DEVELOPMENT

GSA adopted its Good Neighbor policy four years ago to build strong community relations and create more livable communities. We are leveraging our real estate activities to spur local development efforts through technical assistance, projects and outreach to cities where Federal facilities are located. GSA worked with more than 200 communities on 25 projects in FY 2000, helping jump-start Federal development in support of community efforts. We renewed agreements with 20 Business Improvement Districts across the country and established partnerships with private organizations on projects such as measuring the impact of Federal buildings and workers on communities and the revitalization of public plazas.

CENTERS OF EXPERTISE

PBS operations are conducted largely through GSA's 11 regional offices. In addition, PBS has created national Centers of Expertise that have responsibility for specialized functions. Bringing together core groups of specialists in one place, they leverage dwindling resources, accommodate fluctuating regional workloads and deliver state-of-the-art expertise, best practices and operational guidance as needed. These centers provide specialized expertise in Border Stations, Child Care Operations, Courthouse Management, Energy, Historic Buildings and the Arts, Presidential Libraries, and Urban Development.

GSA Federal Supply Service

Donna D. Bennett
Commissioner

Employees: 3,292

Resources:

General Supply Fund Revenue: \$2.7 billion
Other Funding: \$23 million (Direct Appropriations and Reimbursable)

The GSA Federal Supply Service (FSS) leverages the Government's vast buying power and the professional expertise of its staff to offer quality products and efficient service, helping agencies reduce their own investments in acquisition and in the management of federal personal property assets. Through FSS programs worldwide, GSA provided agencies with products and services worth \$22 billion in FY 2000, a 29% increase in business over the comparable total of \$17 billion for FY 1999.

FSS serves customer agencies through four business lines: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. These business lines cover nearly all their costs of operations with the revenue they generate.

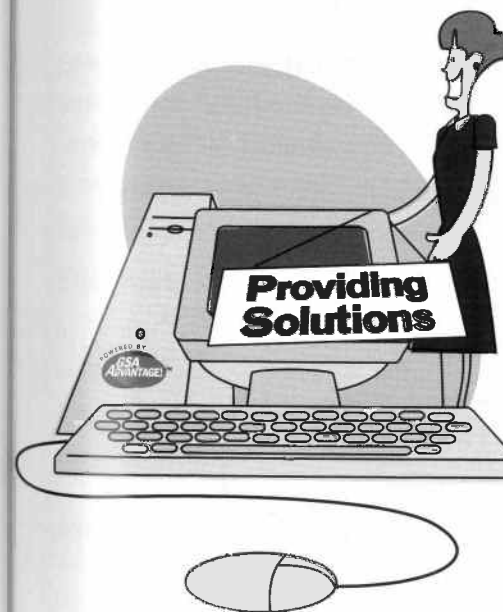
FSS PERFORMANCE IN FY 2000

FSS met or exceeded most of the key goals set forth in GSA's FY 2000 *Performance Plan* by:

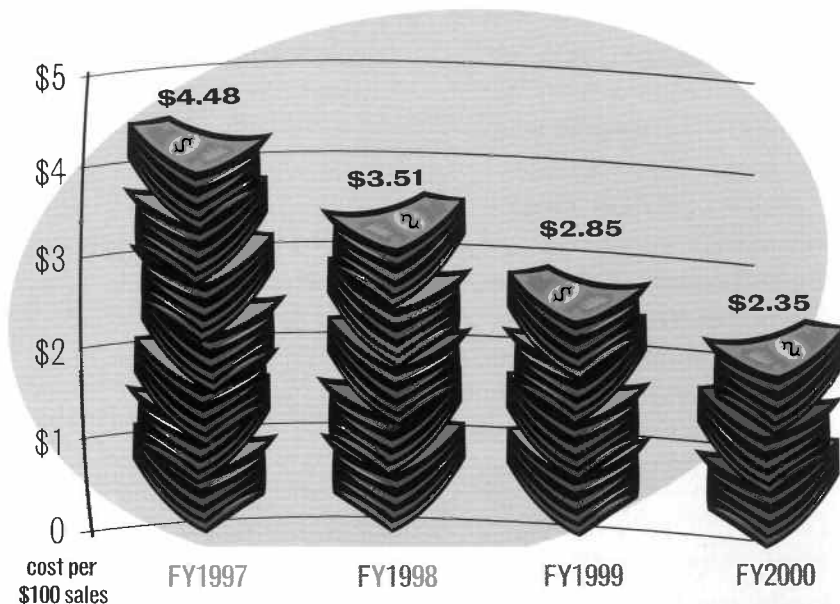
- Reducing the cost of Supply and Procurement programs by 18% from \$2.85 per \$100 sales to \$2.35, exceeding the FY 2000 target by 31 cents per \$100.
- Increasing the dollar volume of Supply and Procurement programs to \$16.3 billion, over \$2.2 billion more than the goal for the year.
- Raising the GSA share of the federal motor fleet to 46% of the civilian, non-tactical Government fleet outside the U.S. Postal Service. This was 2% higher than the FY 1999 market share and met the FY 2000 goal.
- Exceeding its FY 1999/2000 customer satisfaction goal for the Supply and Procurement business line by achieving a 72% "highly satisfied" rating and an overall satisfaction score of 96%.

Some FSS performance goals were not met, specifically in one key area:

- Our goal for making 50% of schedules contracts accessible to customers through GSA's online ordering system, *GSA Advantage!*™ was not met. We achieved 35% accessibility. GSA hopes to have 95% of its Schedule contracts online by the end of FY 2001.



SUPPLY AND PROCUREMENT COST PER \$100 SALES



SUPPLY AND PROCUREMENT

GSA's Supply and Procurement business programs save money, shorten lead times and eliminate hassles for GSA's customers, delivering \$16.3 billion in products and services in FY 2000, a 28% increase from \$12.7 billion in FY 1999. With over 8,800 contracts in place (18% more than the 7,400 contracts in FY 1999), the fastest growth has occurred in service and technology offerings.

The growth in the Supply and Procurement business line continues to benefit Federal customers, largely as a result of the expanded GSA Schedules program. The GSA Stock program, by contrast, has declined. GSA's overall cost per \$100 sales of Supply and Procurement programs has dropped because of the rapid growth of the comparatively low-cost Schedules.

Federal Supply Schedules

Sales of information technology and the expansion of services are the driving force behind the GSA Schedules. Sales rose to \$15.1 billion in FY 2000, a 32% increase over the \$11.4 billion recorded in FY 1999.

Federal customers can acquire more than 4 million products and services directly from commercial suppliers, through the Schedules contracts. Improvements in the Schedules program offer customers simplified ordering, access to new products and services, and guaranteed acceptance of the government purchase card for orders under \$2,500. Customers can use the Schedules E-library to research products and services covered by the Schedules contracts.

The GSA Schedules also help agencies meet government socioeconomic and

environmental goals. Customers now get credit for small business purchases made through the Schedules. About 77% of FSS contracts were held by small businesses in FY 2000, a level of small-business support that has remained constant for several years.

GSA expanded its new service contract offerings in FY 2000 to include Schedules for debt collection and financial-related legal services, recovery auditing services, move management services, and comprehensive logistics solutions and supply/value chain management. In addition, we added the following services to the new Schedules program this year:

- Energy management and planning, audit services, energy procurement and use, and services to maximize the energy efficiency of building systems
- Geographic information systems services, including mapping, natural resource planning, migration pattern analysis, site selection and emergency preparedness planning
- Program integration and project management services
- Alternative Dispute Resolution support services that help overcome potential impasses through the negotiation and evaluation of the relative merit of claims
- Mailroom ergonomic analysis services, to be used to increase mailroom efficiency, productivity and safety
- Human resources services including position classification,

pre-employment screening, and recruiting assistance.

Stock and Special Order Programs

Combined sales for the Stock and Special Order Programs declined from \$1.3 billion in FY 1999 to \$1.2 billion in FY 2000. Stock program sales declined 5.5% from \$781 million in FY 1999 to \$738 million in FY 2000.

The Stock program's decline is largely attributable to government downsizing, which has reduced the demand for the 7,000 stock items. Additionally, SmartPay charge cards have made it easier for Federal purchasing agents to obtain these items directly from commercial sources.

Special Order sales fell by 14% from \$490 million to \$420 million in FY 2000, largely because some Special Order products were shifted to the Schedules Program.

Electronic Shopping

In FY 2000, GSA *Advantage!*™ offered online access to 1.2 million of the 4 million Federal Supply products and services. Our goal is to provide access to 95% of FSS contracts via GSA *Advantage!*™ by the end of FY 2001.

Local GSA Customer Service Directors (CSDs) help customers with electronic shopping. Each CSD is identified on *GSA.gov* and associated with specific customers and a specific geographic territory. Our CSDs are our "knowledge brokers," linked to all FSS business lines and to the GSA

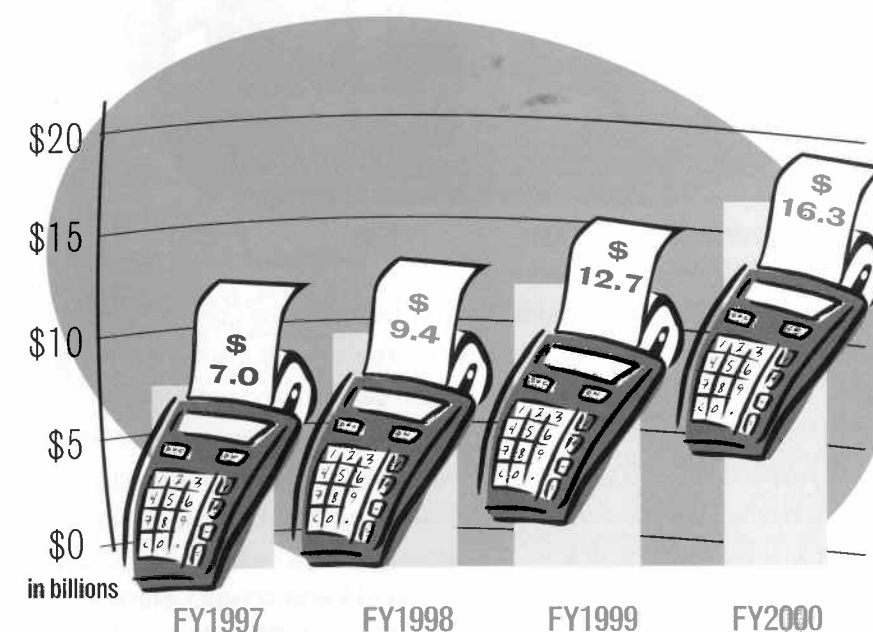
Schedules e-Library, where customers can find sources for the items they want, and to GSA *Advantage!*™, where they can make purchases online.

Charge Card Program

In FY 2000, the GSA SmartPay charge card program offered Federal

\$12.3 billion in FY 2000, almost a 20% increase over 1999. Over 670,000 Federal employees held cards. Use of the cards saved the Government more than \$1.3 billion in administrative costs and generated \$65 million in refunds. Merchants now offer point-

SUPPLY AND PROCUREMENT BUSINESS VOLUME



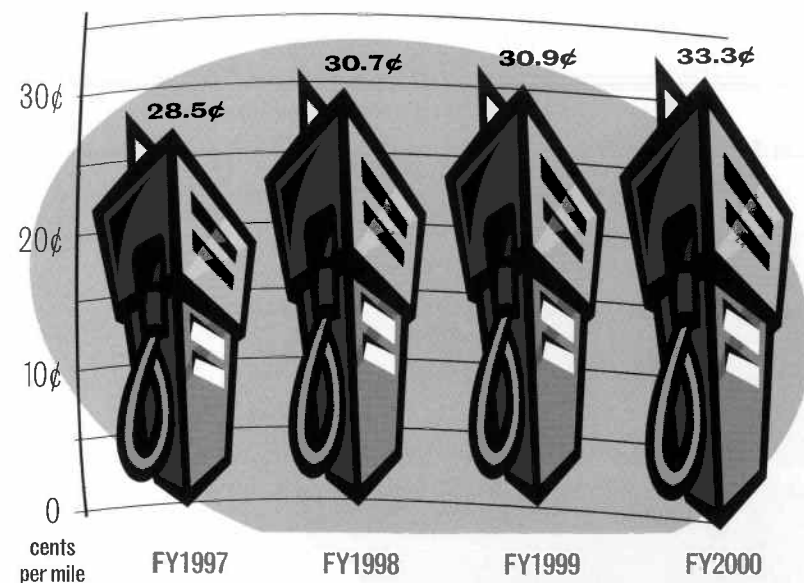
agencies their choice among five companies for purchase and fleet cards and among four companies for travel card services. Agencies have the option of using a single, integrated card for travel, purchase, and fleet needs or using separate cards for each. The cards also function as ATM/debit cards and stored-value cards; they can also handle account maintenance and financial processes. Federal employees used purchase cards provided under FSS contracts for more than 23 million transactions worth

of-sale discounts for users of Federal SmartPay cards.

VEHICLE ACQUISITION AND LEASING SERVICES

In FY 2000, GSA bought approximately 55,000 vehicles, worth over \$1.1 billion, at average prices of 13% to 18% below dealer-invoice prices. The most commonly purchased vehicles—compact sedans—were priced 27% below the commercial Black Book, exceeding GSA's goal by 7%.

FLEET OPERATING COSTS



Of all vehicles bought in FY 2000, more than 38,000 were acquired for the GSA Interagency Fleet, which leases them in turn to 75 federal agencies. The Fleet continued to expand in FY 2000 by consolidating nearly 5,900 vehicles from other agencies, resulting in a 177,000-vehicle fleet and cost-avoidance for taxpayers of nearly \$4 million.

In FY 2000 the cost-per-mile for the GSA Fleet was 33.3 cents for 2000, up 7.8% from 30.9 cents in FY 1999, because of a dramatic rise in petroleum costs, yet still below the annual inflation rate.

Also in FY 2000, GSA markedly improved controls over its Fleet Services Card, with the help of the card issuer, Citibank, and the GSA Inspector General.

GSA Maintenance Control Centers provide access to maintenance and repair services and professional maintenance management for fleet customers nationwide through a single call-management system. Along the same lines, GSA established a national Accident Management Center in FY 2000, which GSA Fleet customers can call toll-free in the event of an accident. Specialists at the center assist customers and vendors in all aspects of accident-reporting and vehicle repairs.

To help agencies comply with the Energy Policy Act, GSA made its largest purchase ever of alternative-fuel vehicles (AFVs) in FY 2000, including vehicles that run on ethanol, compressed natural gas, and electricity. GSA purchased approximately 8,400 AFVs, including sedans, vans, pickup trucks and buses. Over 7,000, or 83%,

of these were for the GSA fleet, which now carries over 17,000 AFVs. Next year, GSA will make up to \$4 million in matching funds available to Federal agencies in six cities to cover the cost difference between AFVs and traditional gasoline-powered vehicles.

GSA also provides specialty vehicles for numerous agencies. In FY 2000, an 80-passenger, troop transport, semi-trailer was designed for the U.S. Army Training Command, and a 48-foot double expandable "clinical research trailer" was designed for the Centers for Disease Control and Prevention.

Federal vehicle purchasers now can do a lot of their business online. They can select a vehicle type, choose options, price a vehicle, and compare models from Daimler Chrysler, Ford and General Motors. They can consult the *Federal Vehicle Standards* and check on the status of their vehicle orders. Among several new electronic initiatives this year, the GSA Fleet introduced enhancements to Fleet Drive-Through, an online tool for customers to manage their assigned fleet. GSA customers can now make their monthly mileage reports for assigned vehicles online and access inventory information. They can also obtain data reports on their vehicles.

TRAVEL AND TRANSPORTATION

In recent years, Federal travel and transportation budgets have totaled approximately \$20 billion each year. By leveraging this large market, GSA

has successfully negotiated favorable rates from the major airlines and provides agencies with significant savings in travel expenses.

City-Pairs Program

The Contract Airline City-Pairs Program provides Federal travelers with discounts 70% below published unrestricted coach fares, with no advanced booking requirements or penalties for changes. Business volume for city-pairs contracts totaled \$1 billion in FY 2000, about the same level as in the previous year. With discounts provided by 14 airlines, the government saved \$2 billion altogether. The FY 2000 contracts covered 4,337 domestic and 653 international routes, with nonstop service in 95% of the markets where nonstop service is offered and available.

Travel Management Centers

GSA Travel Management Centers reduce Federal administrative costs by shifting the burden of arranging travel from in-house staffs to commercial travel agents. They ensure that Federal travelers take advantage of GSA's airline city-pairs contracts and other cost-saving programs. They also provide a mechanism for centrally billing and reconciling airline charges. Traditionally, travel agents have provided these services at no cost to the Government, relying instead on revenues from airline commissions. The airlines have changed their commission policies and during FY 2000, the Government began

paying for travel agency services. In November 1999, GSA awarded new fee-based contracts to 49 firms to provide travel agency services to Federal agencies across the nation.

Freight and Household Goods Relocation

GSA consolidates civilian agency requirements for shipping freight and the household goods of relocating Federal employees, and negotiates discounted transportation rates and services from carriers. Our efforts resulted in Federal rates that were 46% (freight) and 52% (household goods) below commercial rates for comparable services in FY 2000. Federal agencies using these programs saved about \$145 million during the year.

GSA regional employees on the West Coast negotiated an agreement that allows shippers to send their Alaska-bound cargo to a consolidation point in Washington State. There, it's sorted, repacked, and forwarded under volume-discount rates, producing an average savings of 53% compared to commercial rates. This year, the discount increased an additional 9% over previous years.

In the future, the GSA's nationwide rate and routing system will include automated applications such as government bills of lading (or similar forms), booking, tracking, and billing of shipments, mileage computation, and pre-audits of carrier invoices.

Small Package Express Shipments

Federal agencies saved nearly \$108 million on express delivery services through GSA's small-package contract with Federal Express. Federal shippers sent more than 18.3 million parcels at rates 46% less than the comparable corporate rate. Small package business volume totaled over \$132 million, about 6% more than the \$126 million spent to send 17.2 million packages in FY 1999. This contract has two types of service—overnight delivery by 10:30 a.m. and second-day delivery by 4:30 p.m.—and holds an automatic, money-back guarantee if delivery is even one minute late.

GSA has also negotiated discount rates for delivery services outside the scope of the Federal Express contract, e.g., next-day or second-day aggregate shipments over 150 pounds. Federal agencies using these agreements saved \$19.2 million in FY 2000.

Transportation Audits

GSA audits Federal freight and transportation vouchers to recover or avoid excess charges. In FY 2000, pre-payment audits reduced transportation costs by \$4 million, and post-payment audits recovered nearly \$20 million (gross) in overpayments. The prepayment reduction met the FY 2000 savings target, while the total post-payment recovery exceeded the target by \$4.7 million.

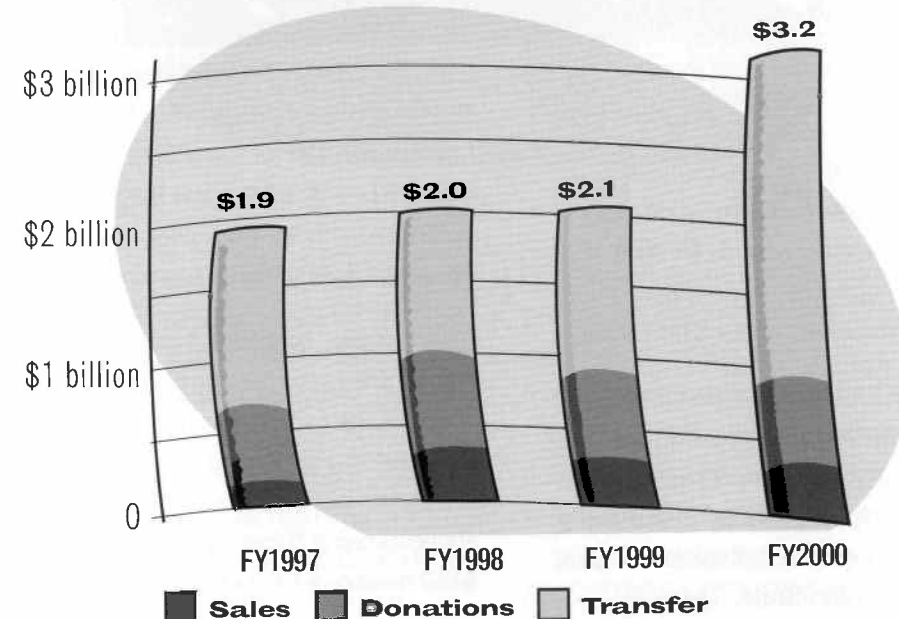
PERSONAL PROPERTY MANAGEMENT

GSA arranges for the redistribution of excess personal property among Federal agencies, the donation of excess property to eligible State and local governments and public nonprofit

value of surplus personal property sold to the public was \$296 million in FY 2000, up from \$254 million the previous year.

GSA oversees the donation of personal property, most notably computers, to approximately 70,000 tax-supported

VALUE OF PERSONAL PROPERTY RE-USED/SOLD



groups, and the sale of surplus property to the public. In FY 2000, GSA met its goal by helping avoid new expenditures totaling \$3.2 billion through the use and donation of excess personal property. The Government saved \$2.6 billion of this through redistribution of personal property among Federal agencies. Donations to State and local governments and other qualifying institutions saved \$564 million, \$16 million less than FY 1999. The

organizations, including schools, day care centers, hospitals, homeless shelters, senior citizen organizations and programs, vocational training facilities, fire and police departments, and drug treatment and rehabilitation programs. In one case, Cabrillo High School in Lompoc, CA, paid GSA only \$1,300, through the California State Agency for Surplus Property, for six cornets, six trumpets, soprano and alto saxophones, baritone horns, gongs and chimes worth \$25,000.

Outfitted with new instruments, the concert band played its way to first prize in a local competition.

In FY 2000, GSA helped NASA dispose of thousands of items worth \$29 million among Federal and State buyers. This included moving four SR-71 Blackbird spy aircraft from the Air Force to NASA's Dryden Flight Research Center in Edwards, CA. Another SR-71 was donated to the Smithsonian Institution upon retirement. In its farewell flight, the Blackbird, which had held the world speed record since 1965, flew from Los Angeles to Washington, DC in 68 minutes, and set another world speed record.

Information about sales of surplus property to the public can be found on the GSA Web site at www.gsa.gov.

Federal Technology Service

Sandra N. Bates
Commissioner

Employees: 1,515

Resources:
Information Technology Fund Revenue: \$5.0 billion
Other Funding: \$41 million (Direct Appropriations and Reimbursable)

The GSA Federal Technology Service (FTS) provides tailored solutions and world class services to support our customers' missions worldwide. FTS provides local and long-distance telecommunications services, information technology (IT) solutions, and information security services to Federal agencies and other authorized entities, such as the Native American Tribal Nations, on a fee-for-service basis.

As a customer-centric organization, FTS delivers superior customer service by fully understanding customers' requirements and helping them find better solutions. Customer Action Teams focus on supporting our customers' missions. At the same time, FTS provides advanced training for employees and a number of other employee-centric initiatives, to continue to ensure customer satisfaction within efficient and effective business operations.

FTS PERFORMANCE IN FY 2000

FTS operations are financed on a reimbursable basis through the

Information Technology Fund. Less than 1% of FTS activities—only \$41 million in FY 2000—are funded by congressional appropriations. FY 2000 revenue was \$5 billion, an increase of more than 20% over FY 1999.

The FTS share of the Federal IT/telecommunications market has increased dramatically since 1995. In just the past five years, it grew from 13.7% to 14.2%, with a business volume increase of more than \$834 million. FTS set an FY 2000 goal of 15.8% of the Federal IT market; however, the size of the market exceeded originally forecast levels.

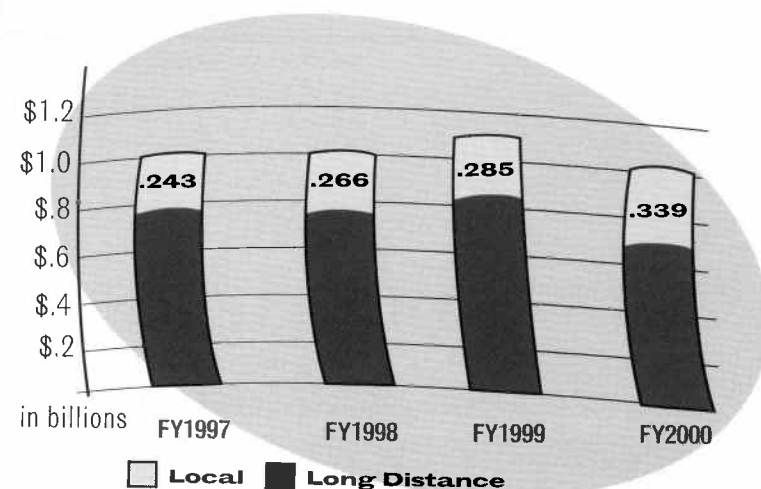
The overall percentage of customers indicating satisfaction with FTS representatives, programs, products and services on annual surveys exceeded 76%. While slightly lower than the overall FY 2000 goal of 80%, the results do indicate that three-fourths of the customers responding expressed satisfaction.

FTS met or exceeded its other key FY 2000 targets for the following performance goals:

- Excess revenue as a percent of total expenses equaled 0.25%, excluding unfunded expenses and reserve use. The FTS long-term goal is to achieve revenues equal to its expenses, so



NETWORK SERVICES BUSINESS VOLUME



that it does not have either excess or insufficient revenues.

- Small business volume equaled 35.8% percent of prime contracts, well over the 25% goal.
- Average monthly local line rates were reduced by 4.7%.
- Long distance prices were 25.7% lower than comparable commercial offerings.

FTS BUSINESS LINES

GSA's two technology business lines are Network Services and IT Solutions. There is substantial coordination and interaction between the two business lines because of the growing relationship between telecommunications and integrated IT solutions.

NETWORK SERVICES

GSA provides end-to-end telecommunications services,

supporting local and long-distance Federal users. In FY 2000, GSA also undertook broad responsibilities to ensure a smooth Y2K transition in Federal telecommunications systems. From its command post in Fairfax, VA, FTS installed an FTS Iridium backup, and successfully completed GSA-wide and industry-wide exercises. Secured by GSA's well-tested plans and procedures, Federal telecommunications systems were brought into the new millennium essentially without incident.

Network Services revenues for FY 2000 totaled \$1 billion, 9% less than the FY 1999 total of \$1.1 billion, a decline that is due mainly to the aggressive pricing competition by local and long distance carriers.

FTS2000 and 2001 Long-distance Telecommunications Service

For most of the 1990s, GSA provided long-distance service through its groundbreaking FTS2000 contracts

with AT&T and Sprint. These contracts provided the lowest long-distance rates ever. When they expired in FY 1999, GSA awarded the next generation of long-distance contracts, FTS2001, to Sprint and MCI WorldCom. The FTS2001 contracts retains key features of FTS2000 and provide Federal agencies with low-cost, state-of-the-art, integrated voice, data, and video telecommunications. With implementation of FTS2001, GSA-provided long-distance service will be non-mandatory for Federal agencies for the first time.

The cost of Federal long-distance services declined from an average 27 cents per minute in FY 1988 to 5 cents per minute under FTS2000. Under FTS2001, average prices were 3.5 cents per minute for FY 2000, and are expected to drop to less than 1 cent per minute by the end of the contract period.

In FY 2000, GSA completed the transition of 89 customer agencies from FTS2000 to the FTS2001 contracts. This involved complex logistics, emergency procedures, planning, testing and project management support.

Local Telecommunications Services

GSA provides local voice and data telecommunications services to Federal agencies nationwide. Switched services are provided through more than 400 local telecommunications systems, which offer all the features of the most modern systems.

The local telecommunications programs generated \$339 million in revenue in

FY 2000, an increase of 19% over FY 1999. The average monthly line rate dropped nearly 5% to \$18.81 in FY 2000, down from \$19.74 in FY 1999. This continued a six-year downward trend.

GSA also achieved significant cost savings in FY 2000 through two new local telecommunications programs, Metropolitan Area Acquisition (MAA) and the Washington Interagency Telecommunications System (WITS).

Metropolitan Area Acquisition Contracts.

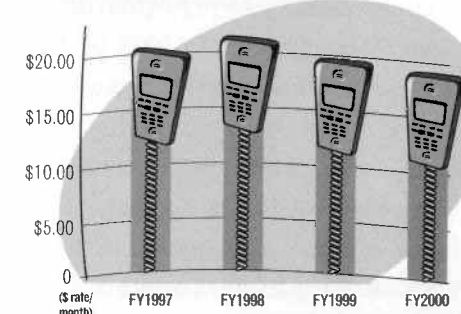
The MAA program delivers immediate and substantial price reductions in local telephone markets by taking advantage of increased competition as permitted by the Telecommunications Act of 1996. As a result, monthly telephone costs for Federal agencies will soon see cost savings in cities across the country as the MAA program expands beyond the initial three cities, New York, Chicago and San Francisco. In FY 2000, more than 30 contracts were awarded to eight industry partners. These contracts could save the Federal Government over \$740 million.

Washington Interagency Telecommunications System

WITS provides up-to-date and cost-effective communications services to all Federal agencies and other authorized users in the Washington, DC, metropolitan area. In FY 2000, WITS provided switched voice and data services to more than 183,030

Federal users. The new WITS2001 contract extends WITS offerings to include Internet and Intranet access and offers users flexible billing options and direct access to the contractor. Data services such as circuit switched data, dedicated transmission, asynchronous transfer mode, frame relay, and switched multi-megabit data will also be available. The 8-year, \$1.4 billion WITS2001 contract to Verizon

LOCAL TELECOMMUNICATIONS AVERAGE MONTHLY LINE RATE



Communications, stipulates that GSA will receive the lowest available prices, which will save customers an estimated \$300 million. WITS2001 serves 30% of the Federal agencies in the Washington, DC area. This customer base is expected to double within the next year. Current GSA customers will experience up to a 30% price reduction.

International/Wire and Cable/Wireless Application ("Niche" Contracts) Services

GSA provided Federal agencies nearly \$123 million in specialized services through the following Niche Contracts in FY 2000:

- Telecommunications Support Contract 2 (TSC2) is a worldwide contract that offers telecommunications planning; analytical support; design and engineering; acquisition support; installation, integration, and implementation; and operations and maintenance support.
- Technical and Management Support Services (TMS) contract provides technical, management, analytical, and financial services.
- International Direct Distance Dialing (ID3) Services contract, administered jointly by GSA and the Department of Defense, offers switched voice services to over 280 countries at prices 35% to 45% below comparable services.
- Wire and Cable Services allows users to economically maintain and upgrade telecommunications cable and wiring systems.
- Satellite Service Contracts offer a wide variety of commercial fixed, broadcast, and mobile satellite services. These contracts were awarded to 10 of the largest commercial satellite contractors using streamlined acquisition procedures. They will allow users to implement the latest technology and services.
- Wireless Telecommunications Services provides nationwide wireless voice and data telecommunications services and equipment, including cellular telephones and pagers.
- Electronic Commerce, Internet, and E-mail Access (CINEMA) program

offers Internet access and other services, including Web hosting, virtual private networks, firewalls, universal messaging, and five different electronic commerce offerings.

- In-flight Telecommunications Services offers discounted in-flight voice, data, and fax services for Federal travelers through GTE Airfone and AT&T Wireless. The discount for Federal travelers averaged between 25% and 30% in FY 2000.

Federal Relay Service

The Federal Relay Service acts as a telecommunications intermediary for individuals within the Federal sector as well as between hearing individuals and individuals who are deaf, hard of hearing, and/or have speech disabilities, for telecommunications with and within the Federal Government. The service was used for approximately 478,000 minutes in FY 2000.

IT SOLUTIONS

GSA's IT Solutions business line is a fully cost-reimbursable information technology solutions provider to Federal agencies. GSA offers virtually all types of IT products and services, primarily through contracts with private sector firms that include FTS contracts, Federal Supply Schedules contracts, and contracts negotiated by other agencies.

The IT Solutions business line earned \$4 billion in FY 2000 revenues, an

increase of \$883 million over the FY 1999 level.

In technology as in other areas, GSA is employing the effectiveness of online commerce. Its IT Solutions Shop (ITSS) was established in FY 1999. This Web-based electronic purchase and order tracking system, supports approximately 1,800 customers, vendors, and FTS staff. ITSS fully automates the procurement process, allowing users to place, award and track orders for any IT product or service over the Internet—from any place, at any time. In FY 2000, GSA opened an online Wireless Store in partnership with a leading retailer of telecommunications products and services. This store is a one-stop shop for Government employees to research, compare and acquire wireless products and services. It is also a source of comprehensive information about the latest developments in wireless technologies. It is linked to GSA *Advantage!*™, the primary GSA online procurement site. Also in FY 2000, the SmallBizMall was established as the first Federal Web site dedicated to ordering from 8(a) small and disadvantaged IT businesses.

The IT Solutions business line aims to provide all clients, regardless of geographic location, the same products and services or solutions, with the same level of service, at the same price. To achieve this goal, it operates within a concept of operations based on distinct service delivery and solutions development

centers of expertise that are designed to leverage existing skill sets and talents. The goal is achieved through:

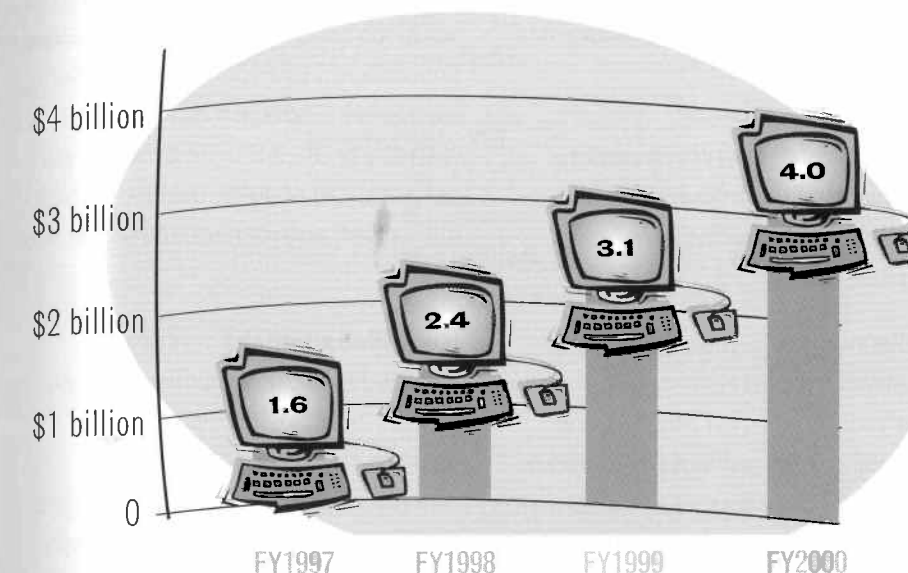
- 13 Client Support Centers (CSCs). The centers work directly with clients by providing support, issuing and managing tasks and delivering IT solutions.
- 4 Solutions Development Centers (SDCs). The centers award and administer IT contracts for the CSCs and for other agencies.

Client Support Centers

CSCs serve IT customers in each of GSA's 11 regions. Two other Centers support clients nationwide. CSC staff interact directly with customers, providing systems definition and design, business and scientific software services, computer security studies and risk analyses, facilities management, and access to all FTS products and services.

- *Regional IT Solutions*
The 11 regional CSCs operate under the Regional IT Solutions Center. In FY 2000, the Center introduced Buyers.Gov, a Web-based Government business and auction exchange. The center also adapted existing commercial e-commerce software to Federal standards to introduce reverse auctioning and aggregation capabilities to the Government IT community.
- *National CSCs*
The two national CSCs are the Federal Systems Integration and Management Center (FEDSIM) and

IT SOLUTIONS REVENUE



the Office of Information Security (OIS).

FEDSIM has helped agencies acquire and use information systems and IT hardware, software, maintenance, training, and analyst support for many years, focusing on large, complex systems integration projects. Business volume totaled \$977 million in FY 2000, 14% more than in FY 1999.

Office of Information Security

provides worldwide information systems and infrastructure security solutions to Federal agencies, and supports the security needs of U.S. allies in conducting classified, sensitive diplomatic and/or military missions. Revenues were \$97 million in FY 2000, down 17% from \$117 million in FY 1999.

OIS programs include:

- *Access Certificates for Electronic Services (ACES)*
ACES uses digital signature technology to authenticate individuals and businesses wishing to access Government information and services electronically.
- *Presidential Decision Directive 63 (PDD63) Guidance*
PDD63 directed Federal agencies to take a phased approach to protecting their own critical infrastructures. OIS provided executive departments and agencies with guidance in preparing their protection plans.
- *Operation Safeguard*
GSA offers Blanket Purchase Agreements with 27 industry partners to provide a full range of professional infrastructure

assurance services and products to strengthen defenses against both physical and cyber-based attacks.

- *Federal Computer Incident Response Capability (FedCIRC)*
A partnership of computer incident response teams, security and law enforcement professionals, and academic and industry partners, FedCIRC serves as a central response and reporting mechanism to help Federal agencies deal with computer-security incidents.
- *FTS Vulnerability Assessment Services (ENIGMA)*
This program was initiated in FY 2000 as a tool that provides the Federal Government with the means to immediately assess potential cyber vulnerabilities and exposure to attack. It uses the Information Security Assessment Methodology developed by the National Security Agency.

Solutions Development Centers

GSA's four solutions development centers develop, award, and administer contracts for use by all CSCs. They are:

- *Applications 'n' Support for Widely-diverse End User Requirements (ANSWER) Solutions Development Center*
In only its second year, ANSWER's business volume increased by 300% in FY 2000. Twenty-one agencies placed over 600 task orders worth more than \$300 million under the

ANSWER contracts. These contracts offer a wide range of IT services, including systems analysis, requirements definition, system design, software maintenance, facilities management support services, scientific and engineering applications, network support services, and systems installation and integration. They incorporate many of the provisions of the former FISSP program, taking advantage of economies of scale and GSA's existing strengths and expertise.

■ *Small Business Solutions Development Center*

The Small Business SDC focuses on providing Federal clients rapid access to goods and services provided by the small business community. There were 166 8(a) contracts in place in FY 2000, through which 1,446 task orders totaling \$224 million were awarded.

■ *Federal Computer Acquisition Center*

The Federal Computer Acquisition Center (FEDCAC) delivers full-service management of computer acquisitions worth more than \$100 million and conducts full and open competitions for contracts required by FTS customer support centers nationwide.

■ *Information Technology Acquisition Center*

This solutions development center, established in FY 2000, provides customized acquisition support for all IT needs. Millennia Lite is its

premier contract, providing the full spectrum of IT support services worldwide through multiple-award contracts.

The solutions development centers have awarded the following major contracts since their establishment two years ago:

- **Millennia** is a 10-year, \$25 billion contract supporting very large systems integration projects and providing a full suite of IT support services. The contract's innovative use of oral proposals dramatically reduces the time and costs required for individual task order awards.
- **Millennia Lite** supports small- to mid-level systems integration projects in four functional areas: IT planning, studies and assessment; high-end IT services; mission support services; and legacy systems migration and new enterprise systems development. Within three months after this contract was in place, 40 task orders were awarded, for an estimated value of almost \$16 million.
- **Innovative Business Center** develops and deploys new service areas that incorporate the most current technologies and approaches to solving Federal IT problems.

Financial Management Systems Support Center helps Federal agencies evaluate, design, and implement financial and administrative systems.

Federal Learning Technology

Center (FedLearn) provides IT-based solutions for traditional training issues encountered by Federal agency clients worldwide. FedLearn assists agencies with any or all of the life cycle support necessary to acquire, design, develop, implement, and manage these learning tools.

Seat Management contracts awarded to eight companies provide Federal agencies with complete desktop computer support as a non-owned service that encompasses the hardware, software, connectivity, management, operation, and maintenance of the desktop environment and its associated network infrastructure.

Smart cards offer an unsurpassed mobile computing platform for identification, authentication and administrative functions. GSA's Government-wide Common Access Identification Smart Card Contract for use by Federal agencies prescribes interoperability standards for smart cards, including specifications for making any vendor's smart card readable with any other vendor's reader.

Office of Governmentwide Policy

G. Martin Wagner
Associate Administrator

Employees: 284

Resources:

\$54 million (Direct Appropriations and Reimbursable)

The GSA Office of Governmentwide Policy (OGP) was created in December 1996 to separate GSA's policy-making from its service delivery and operations. All policy-making functions assigned to GSA were combined under OGP's broad mandate to build and maintain a policy infrastructure for the Federal Government. OGP became the focal point for intergovernmental collaboration, shared systems, acquisition systems and support, professional development, information technology policy, and regulatory information.

GSA's policy-making authority encompasses or supports the following areas: acquisition, advisory committees, aircraft, contract management information, electronic commerce, information technology, intergovernmental management, mail, motor vehicles, personal property, real property and the workplace, regulatory information, training for acquisition professionals, transportation, and travel.



OGP PERFORMANCE

OGP's performance goals center on GSA's roles in building and maintaining a policy infrastructure, identifying best practices and providing education and training. In FY 2000, OGP met or exceeded most of its key goals. It achieved its targets for the following performance goals:

- Organizing, collaborating with, and leading interagency committees in all its policy areas.
- Identifying and publishing leading practices for those areas within GSA's purview. Developing and promoting performance measurement systems for Governmentwide use.
- Improving accessibility to shared databases and information on best practices and policies for government, industry and the public's use.
- Establishing policies, standards and best practices to help develop a single face for Government electronic business transactions.
- Assisting Federal agencies where the products, services, and infrastructure have not been implemented to meet the needs of persons with disabilities for a barrier-free information technology environment.

- Establishing and maintaining a core curriculum of Internet-based courses and increasing the training provided by GSA.
- Improving the professional skills of present and future Federal IT leaders.
- Providing online access for contractors wanting to do business with the Federal Government.

INTERGOVERNMENTAL COLLABORATION

GSA collaborates with other Federal agencies, State and local governments, private industry, and other entities to develop Governmentwide Federal policies and guidelines. Working with over 70 interagency groups, it coordinates the identification, development, and dissemination of policies and guidelines, education and training opportunities, and best practices in GSA's areas of expertise.

FEDERAL ACQUISITION POLICY

GSA is one of three agencies that issue and revise the Federal Acquisition Regulation (FAR), which implements Federal procurement legislation, and GSA chairs one of two councils that produce changes to the FAR. We helped form 28 interagency committees of technical experts in all areas of procurement to advise on FAR changes.

ELECTRONIC GOVERNMENT

GSA spearheads Federal e-Government initiatives, finding ways to exploit

technology to enhance access to and delivery of information and services to citizens, business partners, employees, agencies and other Government entities. Government use of Internet-based services for electronic purchasing and information sharing is becoming more sophisticated, but online citizen transactions are still in the early stages. GSA promotes citizen-centered electronic services—simplified, standardized access to online Government information and services.

GSA provides continuity and focus for (1) developing new policies to promote the effective use of electronic Government; (2) developing and implementing electronic services for citizens; (3) implementing electronic benefits transfer; (4) expanding Government card services; and (5) designing, prototyping and evaluating electronic Government technologies to meet citizen needs.

GSA coordinates electronic commerce initiatives across Government, including:

■ Authentication for Online Transactions

People accessing Government services electronically will need to be able to identify themselves in a way that leaves no room for mistakes or fraud. In FY 2000, GSA led a Governmentwide effort to issue 100,000 digital signature certificates by December 2000. These certificates are provided under GSA's ACES contracts.

■ Establishing the Next Generation of Technical Standards

GSA and the National Institute of Standards and Technology are collaborating on a methodology to test the interoperability of technology products based on supply-chain e-commerce standards. Those standards were developed by RosettaNet, an independent consortium formed to reach industry consensus on electronic commerce standards. Their use helps companies improve the quality of information exchange between buyers and sellers.

■ Smart Cards

GSA has worked with agencies and commercial firms to reach agreement on common requirements for smart cards in the Federal Government, producing a handbook for Federal agencies and others. These cards, which look like credit cards, contain computer chips capable of holding a wide variety of information, including digital signatures and bio-metric data, such as fingerprints. Their uses include identification and authentication, building and computer access, and storage of medical and dental data. Smart cards can also serve as both credit and debit cards.

■ Efficient Government Buying

GSA completed the second phase of an Electronic Catalog Interoperability Pilot enabling Federal buyers to search Government and commercial

online catalogs simultaneously, compare products, and make purchases using smart cards. The pilot tested a secure, interoperable, multi-catalog architecture, and demonstrated an end-to-end e-commerce business process.

■ Sponsoring Electronic Grants Initiatives

In FY 2000, the President signed legislation requiring agencies to create a common system for electronic grants processing by State, local, and Tribal Governments and nonprofit organizations. GSA sponsors the Interagency Electronic Grants Committee in its work to automate the grants process through the Federal Commons initiative, a one-stop site for submitting grant applications to agencies across the Government.

■ Electronic Benefits Transfer (EBT)

The U.S. Government provides over \$500 billion annually in benefits to its citizens. GSA is working with Federal and State benefit-providing agencies and private companies to develop a standard nationwide EBT system, including a single card for accessing cash and food benefits at automated teller machines and point-of-sale locations.

■ The FirstGov Web Site

At the request of the President, GSA designed, built and launched the *FirstGov.gov* Web site, which serves as the portal to all Federal Web-

based information and services. The larger mission of the initiative is to "connect the public to all Government information and services." This includes addressing issues related to policy, technology, information, marketing and management. Alliances with State and local governments, cross-agency organizations and private sector firms will accelerate efforts to improve online search capabilities, geographic information service applications, natural language processing, information categorization and user-feedback.

REAL PROPERTY

Committed to improving the management of Federal real estate while protecting Federal resources and taxpayers' interests, GSA promotes collaborative and innovative policies, products, and services related to real property, the 21st century workplace, and entrepreneurial Government services. Projects in FY 2000 included:

- *Integrated Workplace.* GSA promotes a comprehensive approach to providing leading-edge workplaces for the Federal Government by integrating business plans, user needs, and space planning. We develop and disseminate innovative tools and models for use in workplace evaluation, including our publication, *The Integrated Workplace: A*

Comprehensive Approach to Developing Workspace.

- *Identifying Real Property Trends.* This project includes researching, analyzing and gathering information on the evolution of office buildings and workspace. It helps Federal managers make better decisions by identifying the trends that affect how real property will be designed, constructed, managed and staffed in the future.
- *Governmentwide Real Property Information Sharing (GRPIS) Program.* GRPIS encourages interagency sharing of community-based real property information, through local councils, to support better asset management decisions.
- *Leading Practices.* GSA shares leading practices in real estate asset management through its annual Achievement Award for Real Property Innovation, its *Real Property PolicySite* newsletter, forums and agency visits, and its clearinghouse.
- *Sustainable Development.* GSA continues to build on its *Real Property Sustainable Development Guide*.
- *Telework.* GSA develops policy, outreach, and collaborative partnerships to advance teleworking, an important management strategy for increasing the effectiveness of the Federal workforce.

- *Federal Real Estate on the Internet.* In FY 2000, GSA undertook a study of the emerging use of the Internet in Federal real estate applications.

Federal Travel

GSA develops policies for Federal travel—which costs the Government approximately \$9 billion a year—and determines Federal travelers' per diem reimbursement rates. In FY 2000, GSA established a Premier Lodging Program, which leverages the Government's spending in the travel marketplace to provide guaranteed rooms at the per diem rate for Federal employees.

Personal Property

GSA develops policies and guidance on the reuse and disposal of Federal personal property. It took over responsibility for the Computers for Learning Web site from the Department of Energy in FY 2000, and redesigned it to make it more user-friendly.

Motor Vehicles

In FY 2000, GSA rewrote Governmentwide regulations affecting the management and operation of approximately 575,000 motor vehicles throughout the world. Written in "plain English," the rewritten regulations became the first program chapter in the new Federal Management Regulation. GSA also encourages agencies to share their solutions to motor vehicle program problems.

Aircraft

In collaboration with the 18-agency member Interagency Committee for Aviation Policy, GSA signed an unprecedented Safety Standards Agreement with the Federal agencies that own or hire aircraft. In addition, GSA deployed the new Federal Aviation Interactive Reporting System (FAIRS). Through this user-friendly, Internet-accessible system, agencies report and analyze information on Governmentwide aircraft inventories, costs, and usage. About 150 FAIRS users have been trained.

Transportation

GSA develops policy for the Government's use of commercial transportation resources and fosters collaboration between Government and the private sector. The Governmentwide Transportation Management Policy Council was revived in FY 2000, to function as a forum for collaboration in identifying and implementing many of the industry's leading practices. GSA rewrote the regulations governing transportation in "plain English" format, incorporating the use of commercial-type tools, such as commercial bills of lading and credit cards.

Mail

GSA develops policy for mail-related issues and directives that directly affect Federal employees, Federal agencies and the private sector. In FY 2000, it chartered an Interagency

Mail Policy Council, with approximately 170 members representing over 38 agencies. GSA also developed a Mail Resource Guide for Federal employees.

Public Participation through Advisory Committees

GSA's Committee Management Secretariat provides management, administration, and reporting assistance to Federal advisory committees, which are valuable participants in the Federal decision-making process. In FY 2000, the Secretariat expanded its Internet site to permit agencies to perform all statutorily required functions online.

InterGovernmental Solutions

As chair of the U.S. Intergovernmental Advisory Board, GSA has taken the lead in promoting an international conversation on the use of IT to make governments work better. Through newsletters and special reports, GSA disseminates information on trends, perspectives, and innovations so that what works in one place might be adapted to another. GSA also produces one-page Federal/State Issue Alerts on such "hot topics" as Internet taxation, privacy, and digital signatures.

GSA compiles several directories important in Government IT circles, including *Who's Who in Government IT*, *The E-Government Inventory*, and *Electronic Access to Government Information*.

SHARED SYSTEMS

GSA develops and maintains computer systems and databases that are used Governmentwide, including the following:

Electronic Inventory Management Systems

GSA has two information systems to help Federal real estate professionals manage their assets more efficiently. FIRM (Foundation Information for Real Property Management) is a database for real property management. The WorldWide Inventory of Federal Real Estate was revamped in FY 2000 to be searchable on the Web. GSA continued to add major users of FIRM last year, most notably the Social Security Administration. Seventy-one percent of its potential users are now on board.

Federal Domestic Assistance Catalog

GSA compiles Governmentwide information on over 1,400 Federal assistance programs from 60 Federal agencies, departments and other establishments in the annual *Catalog of Federal Domestic Assistance* and its semi-annual update.

Federal Procurement Data Center

GSA operates the Federal Procurement Data Center, which assembled information on more than 30 million actions on Federal contracts and credit card transactions in FY 2000.

Acquisition Reform Network (ARNet)

This is GSA's hub for Internet-based acquisition tools and information. It is the entry to the Federal Acquisition Regulation, *Fedbizopps*, and the *List of Parties Excluded from Federal Procurement and Nonprocurement Programs*.

List of Parties Excluded from Federal Procurement and Nonprocurement Programs

GSA compiles and maintains this list of approximately 25,000 individuals and businesses excluded from Federal procurement and nonprocurement programs Governmentwide.

Asset Disposition Management System

This system, deployed in FY 2000, contains historical data on the life cycle for personal property from the time it is declared excess until it is taken off the Federal inventory. The data will be used to evaluate how property is managed after it is deemed excess and to develop policies and processes to make the property disposal process more effective.

ACQUISITION SYSTEMS AND SUPPORT

GSA is one of three agencies required by law to issue and maintain the Federal Acquisition Regulation (FAR), which is the regulatory framework for Governmentwide procurements totaling approximately \$200 billion per year. In FY 2000, GSA:

- Developed new acquisition policies through collaboration with other agencies and the public, issuing 49 amendments to streamline and clarify existing processes, and implement statutory changes.
- Replaced hard-copy distribution of FAR case materials with an online site.
- Managed the rewrite of the Federal Property Management Regulation to eliminate non-regulatory guidance, standards, specifications, and outdated content.
- Awarded a contract for an Electronic Document Management System to provide electronic publication and document management capabilities for promulgating the FAR.

PROFESSIONAL DEVELOPMENT

To ensure a highly trained Government IT workforce, GSA identifies, develops, and makes available professional development opportunities for Federal employees.

Strategic and Tactical Advocates for Results (STAR)

This new senior IT training program requires students to meet specific mission objectives and outcomes approved by their agency. It provides training through nationally acclaimed institutions, including top-performing universities.

Federal Acquisition Institute (FAI)

The FAI establishes and promotes career management programs for the acquisition workforce. FAI offers

distance learning opportunities, sponsors research to promote best procurement practices and performs skills analyses of the acquisition workforce. In addition, it is working with academic and professional organizations to establish a body of knowledge as a basis for essential Internet-based education and performance support for public and private sector acquisition professionals.

Chief Information Officers (CIO) University

The CIO University is a consortium of universities which offers graduate-level courses in the executive core competencies essential for a successful CIO organization.

1,000 by the Year 2000

The 1,000 by 2000 Program is a graduate-level certificate program that helps Federal IT professionals prepare for more responsible positions through the course offerings of 29 colleges and universities. To date, 1,048 students have registered, 788 have graduated, and 216 have attained a Masters degree.

Trail Boss Roundup and Network

The Trail Boss Program offers a cadre of IT management professionals seminars focusing on core acquisition and management issues involving IT investments. Over the last decade, more than 1,200 IT professionals from 54 Federal agencies have graduated from the program.

Interagency Resources Management Conference (IRMCO)

IRMCO is the Government's annual private conference focused on innovation, best practices, and communities of interest directly related to e-Government and cross-agency initiatives. Attended by almost 500 IT leaders, IRMCO 2000 featured more than 80 speakers from the top echelons of Federal, State and international Governments, industry and academia.

INFORMATION TECHNOLOGY

GSA provides executive and interagency IT support, including critical policy-level support to the Federal CIO Council, through acquisition pilot projects, training, planning, outreach, and IT tools to support agencies' missions.

Support for IT Management

During FY 2000, GSA expanded its planning and operations management support to three key interagency management groups created in response to the Clinger-Cohen Act: the Federal CIO Council, the Procurement Executives Council, and the Information Technology Resources Board. It also established the IT Leaders initiative for CIOs, which fosters collaboration and communication among smaller-agency CIOs on IT challenges and issues.

Federal Webmaster Forum

GSA hosted the interagency Federal Webmaster Forum to address Internet issues and provide opportunities for

networking and sharing best practices, and provides training for over 600 Federal Webmasters nationwide.

Y2K Support

GSA supported many Government activities to address the Y2K challenge, including a Y2K Web site for the President's Council on the Year 2000 Conversion and the Federal Government's Gateway for Year 2000 Information Directories. These sites covered the range of worldwide Y2K-related issues, including business continuity and contingency planning.

REGULATORY INFORMATION

GSA's Regulatory Information Service Center compiles and disseminates information about Federal regulatory activity. Its principal publication is the *Unified Agenda of Federal Regulatory and Deregulatory Actions*, a unique, comprehensive source of information about regulatory actions that Federal agencies are considering. It includes *The Regulatory Plan*, which discusses agencies' regulatory priorities and provides descriptions of their significant rulings.

GSA also maintains a comprehensive Internet site on regulatory information, www.reginfo.gov that provides links to sources of information on Federal, State, and local regulations. These include databases and search tools for legislation and regulations, Federal agency home pages, and information about pending and recently completed OMB regulations.

GSA Financial Statements

This chart sets forth GSA's performance goals and measures, the baseline performance in FY 1999, the FY 2000 target and the actual performance in FY 2000 against the targets for the year. In addition, the symbols in the far right column offer a quick at-a-glance indicator of performance on each goal. For example:

▲ indicates that GSA's performance exceeded its FY 2000 target for that goal.

✓ indicates that GSA met the target.

▼ indicates that GSA did not meet its target on that goal.

N/A indicates that GSA's performance against that goal could not be measured, either because a target had not been established or because measurement had not been completed.

In many cases, goals, measures, baselines or targets have been revised since the GSA FY 1999/2000 Performance Plan, as the agency's program managers learn how best to use performance measurement in their operations. Some goals were changed in the course of the year; some were discontinued; others were added. The 52 performance measures reported in the Annual Report are consistent with the results reported in the GSA Annual Performance Report for FY 2000, which are summarized here. The full text of this report will be submitted to Congress in a separate document.

GSA Strategic Goal #1: Promote Responsible Asset Management

Conserve Government resources and the assets in GSA's care and provide policies and best practices for Governmentwide asset management.

Performance Goal	Performance Measure	FY 1999 Actual	FY 2000 Actual	FY 2000 Target	FY 2000 Performance vs. Target
PUBLIC BUILDINGS SERVICE	Generate a capital investment contribution of 2.5% to 4.5% of the functional replacement value of the owned (buildings) inventory. (revised)	4.1%	4.0%	2.5%-4.5%	▲
	Reduce the amount of non-revenue producing space in Government-owned buildings to maximize rental income.	13.5%	12.2%	13.0%	▲
	Reduce indirect costs as a percentage of revenue in PBS.	10.3% (revised)	10.7%	10.7%	✓
	Reduce the amount of non-revenue producing space in the leased-space inventory.	3.7%	3.3%	3.6%	▲
	Maintain building operations costs in office and office-like space to 12% below private sector benchmarks.	13%	17%	12%	▲
	Complete construction projects on time.	59%	46%	80%	▼
	Minimize cost escalations on construction projects (revised)	0.8% (revised)	5.7%	2%	▼
	Improve the percent of repair and alteration projects completed on schedule. (revised)	69%	80%	83%	▼
	Minimize the cost escalation rate for repairs and alterations.	-2%	1%	2%	▲
	Improve the dollar-returned-to-dollar-invested ratio for the real property disposal process.	15:1 (revised)	16:1	15:1	▲

GSA Strategic Goal #1: Promote Responsible Asset Management (continued)

		FY 1999 Actual	FY 2000 Actual	FY 2000 Target	FY 2000 Performance vs. Target
FEDERAL SUPPLY SERVICE	Hold costs at current levels while expanding supply and procurement support to Federal agencies, thereby reducing cost per \$100 sales.	\$2.85	\$2.35	\$2.66	▲
	Hold annual increases in cost-per-mile for GSA Fleet operations at or below the inflation rate.	0.7% CPM vs. 1.9% inflation	7.8% CPM vs. 8.6% inflation	2.4% CPM vs. inflation	▲
	Achieve an average 20% savings over commercial "Black Book" prices for 4-cylinder compact sedans.	20%	27%	20%	▲
	Save taxpayers money by consolidating additional vehicles into GSA's fleet.	\$971	\$689	\$717	▼
	Maximize cost avoidance through reutilization and donation of excess Federal personal property.	\$1.9 billion	\$3.2 billion	\$1.6 billion	▲
FTS	Provide increased opportunities for employee development and respond to employee needs. (new)	N/A	74%	70%	▲
OFFICE OF GOVERNMENTWIDE POLICY	Organize, lead and collaborate with Federal agencies to implement requirements of Federal laws and Executive Orders and address Governmentwide issues.	12 of 12	12 of 12	12 of 12	✓
	Maintain up-to-date policies and guidelines for those areas in OGP's responsibility.	58%	93%	85%	▲
	Identify and publish best practices for those areas within OGP's responsibility.	92%	100%	100%	✓
	Develop and promote performance measurement systems for Governmentwide use.	7 of 12	11 of 12	11 of 12	✓
	Establish and maintain a core curriculum of Internet-based courses and increase the number of training instances.	3 (revised) 11,157	2 21,551	1 2,750	▲
	Improve the professional skills of present and future Federal IT leaders.	857 Trail Boss round-up IRMCO STAR seminars CIO University	1,038 110 414 51 40	1,000 100 350 40 30	▲ ▲ ▲ ▲ ▲

GSA Strategic Goal #2: Compete Effectively for the Federal Market

Be the preferred provider of space, products, services, technology and telecommunications for all Federal agencies, by efficiently and economically delivering consistently high quality and best value.

Performance Goal		Performance Measure	FY 1999 Actual	FY 2000 Actual	FY 2000 Target	FY 2000 Performance vs. Target
PBS	Improve the percentage of annual lease costs for new leases that are at or below the cost of equivalent space obtained by the private sector from 98.8%.	Percent of annual cost for new leases at or below private sector.	98.7%	98.8%	98.8%	✓
	Increase Federal agencies' use of GSA sources of supply by providing additional products and services and by making it easier to access FSS products and services.	Dollar volume of GSA Supply and Procurement programs.	\$12.7 billion	\$16.3 billion	\$14.1 billion	▲
FEDERAL SUPPLY SERVICE	Increase GSA's share of Federal fleet.	Percent of Federal fleet operated by GSA.	44%	46%	46%	✓
	Maintain savings of 45% to 47% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.	Percent savings from commercial rates.	Freight 46% Household goods 47% Small Pkg. Exp. Delivery 45%	Freight 46% Household goods 52% Small Pkg. Exp. Delivery 45%	Freight 46% Household goods 47% Small Pkg. Express 45%	✓ ▲ ✓
	Assist Federal agencies in achieving significant savings by providing high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume to obtain 15% of the Federal IT market.	Total business volume as a percent of the Federal IT Market.	13.7%	14.2%	15.8%	▼
FEDERAL TECHNOLOGY SERVICE	Achieve and maintain an appropriate level of full cost recovery to maximize service to Federal agencies and effect the greatest advantage to the Government.	Excess revenue as a % of total revenues.	1.67%	0.25%	-0.2%	▲
	Acquire FTS2000/2001 prices that are lower than and remain competitive with average commercial prices.	Percent FTS2000/FTS2001 prices lower than commercial prices	4.3%	25.7%	15.0%	▲
	Reduce average monthly local line rate.	Average monthly line rate	\$19.74	\$18.81	18.81	✓
GSA	Maintain/increase the number of children of Federal employees who receive care at GSA child care centers.	Number of children from Federal families as percent of total children receiving care in each GSA child care center.	56%	55%	50%	▲

GSA Strategic Goal #3: Excel at Customer Service

Thrill our customers and agency partners by developing and delivering creative solutions to meet their needs for space, products and services, technology and telecommunications, and policy guidance.

FY 2000
Performance
vs. Target

	Performance Goal	Performance Measure	FY 1999 Actual	FY 2000 Actual	FY 2000 Target	FY 2000 Performance vs. Target
PBS	Improve customer satisfaction for security services. (new)	Percent of tenants that rate GSA's protective services satisfactory	85%	N/A	81%	N/A
	Improve overall customer satisfaction.	Percent of tenants that rate GSA-owned space as satisfactory or better	85%	82%	81%	▲
	Improve the percentage of customer satisfaction for leased space.	Percent of tenants that rate leased space and services as satisfactory or better	85%	80%	81%	▼
	Maintain a 90% customer satisfaction rating in newly constructed buildings.	Percent of satisfied customers	91%	N/A	90%	N/A
FEDERAL SUPPLY SERVICE	Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses	Percent of Schedule contracts awarded to small business	77%	77%	77%	✓
	Increase customer satisfaction with Supply and Procurement programs.	Percent of responses in the category "highly satisfied"	63%	72%	63%	▲
	Meet or exceed customer expectations (Vehicle Acquisition and Leasing).	Percent of respondents giving a "highly satisfied" rating.	78%	N/A	78%	N/A
	Increase customer satisfaction with FSS travel and transportation programs.	Customer satisfaction survey results (on a scale of 1 to 5).	4.5	N/A	4.5	N/A
	Increase customer satisfaction with Personal Property Management services.	Percent of respondents who report being "highly satisfied."	65%	68%	65%	▲
FEDERAL TECHNOLOGY SERVICE	Be customer-centric -Increase customer satisfaction with FTS representatives and products/services by 2.8%.	Percent of customers indicating satisfaction with FTS representatives and programs, products and services on annual FTS surveys by responding 4 or 5 on a scale of 1 to 5.	79%	76%	80%	▼
	In response to the goals of customer agencies and the Federal Government, achieve and maintain an appropriate business volume with small business as a percent of prime contracts.	Percent of prime contracts awarded to small business.	35%	36%	25%	▲
	Be customer centric - Reduce acquisition cycle times.	Average calendar days from request for quotation to award. Average calendar days from notice to proceed to award. (revised)	12 16	11 N/A	10 16	▼ N/A
OGP	Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use.	Number of information systems accessible via the Internet	7 of 9	9 of 9	9 of 9	✓

GSA Strategic Goal #4: Anticipate Future Workforce Trends

Design, develop and model future Federal work environments with state-of-the-art technology, innovation, and best practices in use of space, furniture, equipment, telecommunications, contracts and other tools.

FY 2000
Performance
vs. Target

	Performance Goal	Performance Measure	FY 1999 Actual	FY 2000 Actual	FY 2000 Target	FY 2000 Performance vs. Target
FSS	Increase the number of services and products available to Federal customers via electronic systems and Internet connectivity.	Percent of Schedule contracts accessible through GSA Advantage!™	23%	35%	50%	▼
	Fill 100% of requests for alternative fuel vehicles.	Percent of requests filled.	100%	100%	100%	✓
	Increase the percent of audits performed electronically.	Percent of audits performed electronically.	25%	40%	40%	✓
FTS	Provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker by making available new and enhanced service offerings and increasing the number of actions awarded by 2%.	Number of contracts and modifications awarded, including all actions that exceed \$100,000.	601	355	607	▼
	Establish policies, standards and best practices to help develop an interoperable, single face for government electronic business transactions.	Number of solutions developed and best practices recognized Number of guidelines developed Number of industry collaborative efforts Number of information-sharing initiatives	4 3 4 7	4 3 5 5	(revised) 4 3 5 5	✓ ✓ ✓ ✓
OGP	Provide a "single face" for industry to find opportunities to do business with the Federal Government.	Number of agencies using the EPS System (FedBizOpps.gov)	12	19	20	▼
	Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public.	Number of links by WebGov (FirstGov.gov) to other Web sites.	1,000 links	1,000 links	2,000 links	▼
GSA	Achieve 100% accreditation of all eligible GSA child care centers.	Percent of eligible child care centers accredited by the National Association for the Education of Young Children.	77%	88%	85%	▲